

Fifteenth Kerala Legislative Assembly

Bill No. 268

**THE KERALA COIR WORKERS' WELFARE FUND
(AMENDMENT) BILL, 2025**

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further to amend the Kerala Coir Workers' Welfare Fund Act, 1987.

Preamble.—WHEREAS, it is expedient further to amend the Kerala Coir Workers' Welfare Fund Act, 1987 for the purposes hereinafter appearing;

BE it enacted in the Seventy-sixth year of the Republic of India, as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Kerala Coir Workers' Welfare Fund (Amendment) Act, 2025.

(2) It shall come into force at once.

2. *Amendment of section 2.*—In the Kerala Coir Workers' Welfare Fund Act, 1987 (34 of 1987) (hereinafter referred to as the principal Act), in section 2,—

(i) the existing clause (a) shall be re-lettered as clause (aa) and before clause (aa) so re-lettered the following clause shall be inserted, namely:—

“(a) “Appellate Authority” means the appellate authority under sub-section (4) of section 11;” ;

(ii) after clause (d) and the explanation thereunder the following clause shall be inserted, namely:—

“(da) “Compounding Officer” means an officer designated by the Government under section 17D;”.

3. *Omission of section 13.*—Section 13 of the principal Act shall be omitted.

4. *Amendment of section 14.*—In section 14 of the principal Act, after the words, “priority to all other debts” the words, figures, letter, symbols and bracket “subject to section 26E of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interests Act, 2002 (Central Act 54 of 2002),” shall be inserted .

5. *Amendment of section 17.*—In section 17 of the principal Act,—

(i) in sub-section (1), for the words and symbols “ shall be punishable with imprisonment for a term which may extent to three months, or with fine which may extend to five hundred rupees, or with both” the words “shall be liable to a penalty of double the amount due by him under this Act” shall be substituted;

(ii) in sub-section (2), for the words and symbol “ be punishable with imprisonment for a term which may extend to two months or with fine which may extend to four hundred rupees, or with both” the words “be liable to a penalty of twenty five thousand rupees” shall be substituted;

(iii) sub-sections (3) and (4) shall be omitted.

6. *Insertion of new sections after section 17.*—In the principal Act, after section 17, the following sections shall be inserted, namely:—

“17A. *Opportunity before imposing penalty.*—Notwithstanding anything contained in this Act, an officer equivalent to the rank of Coir Project Officer in the Industries/Coir Department may be designated by the Government, by notification in the Gazette, to impose penalty, who shall before taking steps for imposing penalty under section 17 of this Act, give an opportunity to the person concerned, to comply with the aforesaid relevant provisions by written direction laying down a time period not exceeding ninety days for such compliance and if the person complies with the direction within the said period, then, no such proceedings shall be initiated against him.

17B. *Punishment for non-payment of penalty.*—(1) Whoever fails to pay the penalty so imposed under section 17 of this Act, within a period of ninety days from the date of receipt of the copy of the order, shall be punishable with

imprisonment for a term which may extend to six months and with fine which may extend to double the amount imposed as penalty.

(2) No Court inferior to that of a Judicial Magistrate of the First Class shall try any offence punishable under this Act.

(3) No Court shall take cognizance of any offence punishable under this Act except on a report in writing of the facts constituting such offence made with previous sanction of the officer authorized to impose the fine.

17C. *Power of Officers to impose penalty.*—(1) For the purpose of imposing penalty under section 17 of this Act, an officer as designated by the Government under section 17A of this Act, shall impose the same as provided under this Act, after holding an enquiry in the manner as may be prescribed.

(2) While holding enquiry under sub-section (1), the officer shall have the power to summon and enforce attendance of any person acquainted with the facts and circumstances of the case to give evidence or to produce any document, which in the opinion of the officer, may be useful or relevant to the subject matter of the enquiry and if on such enquiry he is satisfied that the person has committed the offence, he shall impose such penalty as provided under this Act.

(3) Any person aggrieved by an order made by the officer under sub-section (2) may prefer an appeal in such form and in such manner with such fee, as may be prescribed, before the Appellate Authority within thirty days from the date on which such order is communicated to him :

Provided that the Appellate Authority may entertain the appeal after the expiry of the said period of thirty days, if such authority is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(4) The Appellate Authority may after giving the parties to the appeal an opportunity of being heard, pass such order as he thinks fit, confirming, modifying or setting aside the order appealed against within a period of sixty days from the date of receipt of the appeal.

(5) The amount of penalty received shall be credited to the Consolidated fund of the State.

17D. *Compounding of Offences.*—(1) The Offences provided under section 17B of this Act, may be compounded, either before or after institution of prosecution by an officer equivalent to the rank of Joint Director in the Industries/Coir Department, appointed by the Government by notification in the Gazette in this behalf, on an application made to such officer by the person alleged of the offence, on payment of seventy five per cent of the maximum amount of fine provided under the said section.

(2) Every application for compounding the offences shall be made in such form and in such manner as may be prescribed.

(3) Where compounding of an offence is made before the institution of prosecution, no prosecution shall be instituted with respect to that offence against whom the offence is so compounded.

(4) Where the compounding of an offence is made after institution of the prosecution, such compounding shall be made with the permission of the court and after such compounding the accused shall be acquitted.

(5) The amount received on compounding of the offences shall be credited to the Consolidated Fund of the State.

17E. *Mode of Recovery of money due from any person.*—Any amount due from any person under this Act or rules or scheme made thereunder may be recovered with interest in the same manner as arrears of public revenue due on land as per the provisions of the Kerala Revenue Recovery Act, 1968 (15 of 1968), for the time being in force."

STATEMENT OF OBJECTS AND REASONS

For the effective implementation of Ease of Doing Business, the Kerala Law Reforms Commission in its 19th Report have recommended amendments in the Kerala Coir Workers' Welfare Fund Act, 1987 (34 of 1987), for imposing penalty instead of existing penal provisions for procedural violations, minor offences, fine etc., in the said Act, incorporating provisions for enhancement of penalty by taking into account of central labour laws and current money value, giving opportunity to persons concerned before imposing penalty, punishment for default in payment of penalty, designating an officer for imposing penalty and

compounding of offences, compounding of offences on payment of seventy-five percent of the maximum amount of fine and recovery of arrears as per the provisions of the Kerala Revenue Recovery Act. The Government have considered the above said recommendations and decided to make suitable amendments in the said Act. In addition, the Government have also decided to amend section 14 of the said Act, in accordance with section 26E of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interests Act, 2002 (Central Act 54 of 2002). For the above purposes, the Government have decided to make suitable amendments in the said Act.

The Bill is intended to achieve the above object.

FINANCIAL MEMORANDUM

The Bill, if enacted and brought into operation, would not involve any additional expenditure from the Consolidated Fund of the State.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 6 of the Bill, proposed to be inserted in the principal Act, seeks to empower the Government,—

(i) in section 17A, to designate an officer, equivalent to the rank of Coir Project Officer in the Industries/Coir Department, by notification in the Gazette, to impose penalty;

(ii) in section 17 C,—

(a) in sub-section (1), to prescribe the manner of holding an enquiry by the officer designated by the Government for imposing penalty ;

(b) in sub-section (3), to prescribe the form, manner and fee for filing an appeal before the appellate authority.

(iii) in section 17 D,—

(a) in sub-section (1), to designate an officer equivalent to the rank of Joint Director in the Industries/Coir Department by notification in the Gazette, as a Compounding Officer for compounding of offences provided under section 17B of this Act, either before or after the institution of prosecution;

(b) in sub-section (2), to prescribe the form and manner for compounding the offences.

The matters in respect of which rules may be made or notifications may be issued, are matters of procedure and are of routine or administrative in nature. Further, the rules, are subject to scrutiny by the Legislative Assembly. The delegation of legislative power is, thus, of a normal character.

P. RAJEEVE.

EXTRACT FROM THE KERALA COIR WORKERS' WELFARE FUND ACT,
1987 (34 of 1987)

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2. *Definitions.*—In this Act, unless the context otherwise requires,—

(a) “Board” means the Kerala Coir Workers’ Welfare Fund Board constituted under section 6;

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(d) “coir worker” means any person who is employed for wages to do any work in connection with the various processes in coir industry and who gets his wages directly or indirectly from the employer, dealer or producer of coir products and includes a floating worker or any person employed by or through a contractor or through an agent and depends mainly on coir industry for his livelihood, and includes any other person employed in coir industry, whom the Government may by notification in the Gazette from time to time declare to be a coir worker for the purposes of this Act;

Explanation.—If any question arises as to whether a person is or is not a coir worker for the purpose of this Act, the matter shall be referred to the concerned Project Level Advisory Committee of trade unions in coir industry, constituted for such Coir Project area for the purpose for decision and an appeal shall lie to the Board against the decision of the Project Level Advisory Committee.

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13. *Mode of recovery of money due from coir workers, self-employed persons, employers, dealers producers of coir products and exporters.*—Any amount due from the coir workers, self-employed persons, employers, dealers producer of coir products and exporters in pursuance of the provisions of this Act or the scheme may, if the amount is in arrears, be recovered in the same manner as an arrear of public revenue due on land.

14. *Priority of payment of contribution over other debts.*—Where any employer or dealer or producer of coir products or exporter liable to pay contributions under section 4 is adjudicated as insolvent or, in case such employer

or dealer or producer of coir products or exporter is a company, an order for winding up is made, the amount due from such employer or dealer or producer of coir products or exporter under this Act or the scheme shall, where the liability therefore has accrued before the order of adjudication or winding up is made, be deemed to be included among the debts which under section 64 of the Insolvency Act, 1955 (2 of 1956) or under section 530 of the Companies Act, 1956 (Central Act 1 of 1956) are to be paid in priority to all other debts in the distribution of the property of the insolvent or the assets of the company being wound up, as the case may be.

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17. *Penalty.*—(1) Whoever, for the purpose of avoiding any payment to be made by himself under this Act or under the scheme or of enabling any other person to avoid such payment knowingly makes or causes to be made any false statement or false representation, shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to five hundred rupees, or with both.

(2) Whoever contravenes or makes default in complying with any of the provisions of this Act or of the scheme shall, if no other penalty is elsewhere provided by or under this Act for such contravention or non-compliance, be punishable with imprisonment for a term which may extend to two months or with fine which may extend to four hundred rupees, or with both.

(3) No Court inferior to that of a Judicial Magistrate of the First Class shall try any offence punishable under this Act.

(4) No court shall take cognizance of any offence punishable under this Act except on a report in writing of the facts constituting such offence made with previous sanction of the Chief Executive Officer.

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